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Leland R. Snook  
Director  
State Regulation & Pricing

Tel. 602-250-3730  
Fax 602-250-3003  
e-mail Leland.Snook@aps.com

Mail Station 9708  
PO Box 53999  
Phoenix, Arizona 85072-3999

December 1, 2009

Mr. Steve Olea  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

RE: Self-Certification of Environmental Compatibility for the TS-9 to Pinnacle Peak 500/230-kV  
Transmission Line Project, Decision No. 69343  
DOCKET NO. L-00000D-06-0635-00131

Dear Mr. Olea:

Pursuant to Decision No. 69343, dated February 20, 2007, Condition No. 22, Arizona Public Service Company files this self-certification letter and documentation for the TS-9 to Pinnacle Peak 500/230-kV Transmission Line Project.

If you should have any questions, please contact Jeff Johnson at (602)250-2661.

Sincerely,

Leland R. Snook

LS/sl

Attachments

cc: Docket Control  
Arizona Corporation Commission

Brian Bozzo  
Compliance and Enforcement  
Arizona Corporation Commission

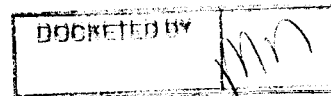
John Foreman, Chariman  
Arizona Power Plant &  
Line Siting Committee  
Office of the Attorney General

Jim Arwood, Sr. Director  
Arizona Department of Commerce Energy Office

Herb Guenther, Director  
Arizona Department of Water Resources

Arizona Corporation Commission  
**DOCKETED**

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**Morgan (TS-9) to Pinnacle Peak  
500/230-kV Transmission Line  
Project**

Docket No. L-00000-06-0635-0131  
Arizona Corporation Commission  
Decision No. 69343

***Certificate of Environmental  
Compatibility Compliance***

December 2009

ARIZONA PUBLIC SERVICE  
Morgan (TS-9) TO PINNACLE PEAK 500/230-kV TRANSMISSION  
LINE PROJECT

*Summary of Certificate of Environmental Compatibility  
Compliance*

INTRODUCTION:

Arizona Public Service Company (APS) is submitting the following self-certification documentation pursuant to Condition 22 of the Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Line project, Certificate of Compatibility Case No. 131, Docket No. L-00000D-06-0635-131, Decision No. 69343.

The following Condition Table lists all the requirements and the status of compliance activities. Each tab thereafter references applicable compliance documentation.

Construction activities for this project began in 2009; therefore, numerous activities related to pre-construction permitting and design have been completed or initiated, which are described in the attached table.

**Arizona Public Service**  
**Summary of Certificate of Environmental Compatibility Compliance**  
***Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Project***

Certificate Condition	Compliance
1) The Applicant shall obtain all required approvals and permits necessary to construct the Project.	A summary of permits and approvals is attached.
2) The Applicant shall comply with all existing applicable ordinances, master plans and regulations of the State of Arizona, the County of Maricopa, the United States, and any other governmental entities having jurisdiction.	Compliance with this Condition is covered under the response to Condition 1. Future permitting activities will be added as applicable.
3) This authorization to construct the Project shall expire ten years from the date the Certificate is approved by the Arizona Corporation Commission (the "Commission").	Project was certificated February 13, 2007. Authorization to construct the Project expires February 13, 2017. An extension of the term of the Certificate, if needed is not required with this filing.
<p>4) The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the transmission line and related facilities addressed in this Certificate.</p> <p>The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained.</p>	Construction for this project is not complete as of November 1, 2009; however, activities and documents related to this Condition will be maintained.
5) The project shall comply with applicable noise standards of the federal Department of Housing and Urban Development and the Environmental Protection Agency.	Construction for this project is not complete as of November 1, 2009. APS will comply with applicable noise standards pursuant to this condition.

**Arizona Public Service**  
**Summary of Certificate of Environmental Compatibility Compliance**  
**Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Project**

Certificate Condition	Compliance
6) If all Register-eligible properties cannot be avoided, then the applicant will continue to consult with the State Historic Preservation Office ("SHPO") to resolve the negative impacts.	Compliance with this Condition was reported in the 2008 filing. Consultation with SHPO is ongoing. Any outstanding issues will be added as applicable in the future.
7) The Applicant shall avoid and/or minimize impacts to properties considered eligible for inclusion in the State Register of Historic Places to the extent possible.	Compliance with this condition is covered under the response to Condition 6.
8) If the Applicant determines that historic-period structures Beardsley Canal and Black Canyon Road and archaeological Sites AZ T:3:361, 362, 363 and 364,; AZ T:7:192, and AZ T:8:157, AZ T:3:1 (MNA), and AZ T:3:2 (MNA) cannot be avoided, then the Applicant will plan and implement a mitigation program in consultation with SHPO.	A plan describing the proposed mitigation procedures to address construction activities near these sites has been developed and submitted to the State Land Department for review and approval. This plan has been developed based on consultation with the SHPO. No construction activity will be conducted in these areas without approval of the proposed mitigation program by the State Land Department.
9) After construction, the Applicant, in conjunction with any applicable land managing agency, shall allow Arizona Site Stewards, a volunteer-staffed SHPO program, to periodically inspect the sites within the corridor for vandalism or other damage.	Construction for this project is not complete as of November 1, 2009.
10) In consultation with SHPO and the land-managing agency, the Applicant will consider and assess potential direct and indirect impacts to eligible properties related to new access roads or any existing access roads that require blading.	<p>Compliance with this condition is covered under the response to Condition 6.</p> <p>Access roads have been aligned such as to avoid impacts to eligible properties where grading is required.</p> <p>All access roads have been studied and included in the cultural report submitted to the Arizona State Land Department for review.</p>
11) The Applicant shall follow any instructions from the Arizona State Land Department's ("ASLD") regarding the treatment of State Register of Historic Places-eligible properties situated on ASLD land in consultation with SHPO.	Compliance with this condition is covered under the response to Condition 6.

**Arizona Public Service**  
**Summary of Certificate of Environmental Compatibility Compliance**  
**Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Project**

Certificate Condition	Compliance
12) Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or historical site or object that is at least fifty years old is discovered on state, county or municipal land during plan-related activities, the person in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the development of the subject property, Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum in accordance with A.R.S. § 41-865.	No human remains or funerary objects have been encountered to date during project construction. Monitoring for these objects will continue through construction.
13) The Applicant shall design the transmission lines so as to minimize impacts to raptors.	This Condition has been accommodated as part of the design for the project.
14) Where practicable, the Applicant shall use existing roads for construction and access. The Applicant shall minimize vegetation disturbance outside of the Project right-of-way, particularly in drainage channels and along stream banks, and shall re-vegetate or restore areas of construction disturbance outside of the Project right-of-way after construction has been completed.	The use of existing roads has been incorporated into the design and construction of this project to the extent possible. APS will minimize vegetation disturbance and re-vegetate and restore areas as applicable.
15) The Applicant shall use non-specular conductor and dulled surfaces for transmission line structures.	This condition has been accommodated as part of the design for the project.
16) Within 120 days of the Commission decision granting this Certificate, Applicant will post signs in public rights-of-way giving notice of the Project corridor. Within 45 days of securing easement or right-of-way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Such signage shall be no smaller than a normal roadway sign. The Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line until the transmission structures are constructed. There must also be signs at the location of the proposed substations. The signs shall advise: a) That the site has been approved for the construction of Project facilities including a 500/230kV transmission lines, as applicable to the individual site; b) The expected date of completion of the Project facilities; c) A phone number for public information regarding the Project; d) The name of the Project; e) The name of the Applicant; and f) The Applicant's website.	Signs providing public notice regarding the Project were placed along the corridor for the transmission line as noted in the 2007 compliance submittal behind Tab 16.  The Avery Substation site was acquired from the State Land Department on December 11, 2007. Signs noting this acquisition were installed within the required 45-day period in mid-January, 2008.  No new private right-of-way was acquired in 2009 that required the installation of signage.
17) In the event that the Project requires an extension of the term of this	An extension of the term of the

**Arizona Public Service**  
**Summary of Certificate of Environmental Compatibility Compliance**  
***Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Project***

Certificate Condition	Compliance
Certificate prior to completion of construction, Applicant shall use reasonable means to directly notify all landowners and residents within a one-half mile of the Project corridor for which the extension is sought. Such landowners and residents shall be notified of the time and place of the proceeding in which the Commission shall consider such request for extension.	Certificate is not required as of this filing.
<p>18) Before construction on the Project may commence, the Applicant must file a construction mitigation and restoration plan with the ACC Docket Control with copies to affected areas of jurisdiction. The Applicant shall, within one year of completion of construction of the Project, rehabilitate to its original state any area disturbed by construction of the Project, except for any road that may be necessary to access the transmission lines or substation sites for maintenance and repair. The goals of the plan will be to:</p> <ul style="list-style-type: none"> <li>a) Avoid impacts where practical;</li> <li>b) Where impacts are unavoidable, minimize impacts; and</li> <li>c) Focus on site preparation to facilitate natural processes of revegetation.</li> </ul> <p>Other key elements of the Plan, when not inconsistent with the respective land management agencies' or local owners' requirements, are to:</p> <ul style="list-style-type: none"> <li>a) Emphasize final site preparation to encourage natural revegetation;</li> <li>b) Avoid (i.e., preserve), where practical, mature native trees;</li> <li>c) Stipulate a maximum construction corridor width;</li> <li>d) Reserve topsoil and native plant materials from right-of-way before grading, and respread over the right-of-way after construction is complete;</li> <li>e) Imprint the restored right-of-way to provide indentations to catch seed and water;</li> <li>f) Implement best management practices to protect the soil;</li> <li>g) Apply restoration methods that have been shown to work in the desert environment; and</li> <li>h) Prevent, where applicable, the spread of noxious weeds or other undesirable species.</li> </ul>	A Construction, Mitigation, and Restoration Plan was filed with ACC Docket Control on November 6, 2008.
19) Applicant shall retain a qualified biologist to monitor all ground clearing/disturbing construction activities that may affect sensitive habitat. The biological monitor will be responsible for ensuring proper actions are taken if a special status species is encountered. If Sonoran desert tortoises are encountered during construction, the Applicant shall follow the Arizona Game and Fish Department's ("AGFD's") Guidelines for Handling Sonoran Desert Tortoises.	APS had a qualified biologist identify sensitive habitat in the project area and has been monitoring construction activities per the requirements of this Condition. No sensitive species have been encountered to date.
20) Applicant shall salvage mesquite, ironwood, saguaro and palo verde trees removed during project construction activities consistent with Arizona's Native Plant Law and use the vegetation for reclamation in or near its original location.	APS conducted a native plant inventory to identify the location and potential salvage viability for impacted plants. Plant salvage activities were initiated prior to construction and are ongoing.

**Arizona Public Service**  
**Summary of Certificate of Environmental Compatibility Compliance**  
***Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Project***

Certificate Condition	Compliance
<p>21) Applicant shall implement landscaping for the substation sites in accordance with the applicable municipal planning and zoning requirements.</p>	<p>Final construction for this project is not complete as of November 1, 2009; however, municipal landscape requirements have been accommodated in the design for these facilities as part of the permit approval process.</p>
<p>22) The Applicant shall submit a self-certification letter annually, identifying progress made with respect to each condition contained in the Certificate, including which conditions have been met. Each letter shall be submitted to the Utilities Division Director on December 1, beginning in 2007. Attached to each certification letter shall be documentation explaining in detail how compliance with each condition was achieved. Copies of each letter, along with the corresponding documentation, also shall be submitted to the Arizona Attorney General and Department of Commerce Energy Office. The requirement for the self-certification shall expire on the date the Project is placed into operation.</p>	<p>Compliance with this Condition is evidenced by the submission of this filing.</p>
<p>23) With respect to the project, Applicant shall participate in good faith in state and regional transmission study forums, and will continue its coordination with both Salt River Project and Western Area Power Administration to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner.</p>	<p>The APS local transmission planning process is coordinated with other regional utilities, including Western Area Power Administration and Salt River Project through recurring quarterly joint-coordination meetings, as well as other day-to-day communication. This transparency has fostered the development of electric infrastructure that has maintained reliability and met load growth. In addition to its local planning process, APS coordinates its transmission planning with other transmission providers and stakeholders in the Desert Southwest, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission (SWAT) planning group, membership in WestConnect, membership in the Western Electricity Coordinating Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS).</p>

**Arizona Public Service**  
**Summary of Certificate of Environmental Compatibility Compliance**  
**Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Project**

Certificate Condition	Compliance
<p>24) Applicant shall coordinate construction through the Happy Valley Towne Center with the property owners to minimize the impact on the retail operation of the Center.</p>	<p>APS has coordinated with Vestar Properties to minimize the impact of the facilities, specifically the location of new tower structures and construction access, on the Happy Valley Towne Center.</p>
<p>25) The Applicant shall provide copies of this Certificate to the City of Phoenix and City of Peoria planning agencies, mayors and city councils, the Maricopa County Planning and Development Department, the Maricopa County Board of Supervisors, SHPO, AGFD, ADOT, and ASLD.</p>	<p>This information was previously provided in the 2007 compliance submittal.</p>
<p>26) Before commencing construction of project facilities located within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:</p> <p>(a) perform the appropriate grounding and cathodic protection studies to show that the project's location within 100 feet of such pipeline results in no material adverse impacts to the natural gas or hazardous liquid pipeline or to public safety when both are in operation. A report of studies shall be provided to the Commission Staff as part of Applicant's compliance with the Certificate. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are eliminated. Applicant shall provide to the Commission Staff written documentation of the actions that will be taken and documentation showing no material adverse impact will occur; and</p> <p>(b) perform a technical study simulating an outage of the facility that may be caused by the collocation of the Project within 100 feet from the existing natural gas or hazardous liquid pipeline. This study should either:</p> <p>i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages. Applicant shall provide a copy of this study to the Commission Staff.</p>	<p>APS has reviewed the results of studies conducted for project facilities located within 100 feet of any existing natural gas pipeline. APS is working with gas pipeline companies to incorporate the mitigation measures identified by the studies before the line is placed into service.</p> <p>A confidential report detailing the results of a study to satisfy part (b) of this condition will be submitted to Staff once a protective agreement is executed in this matter. The conclusion of the report indicates that no load serving issues were discovered.</p> <p>Additional documents related to this Condition will be provided when applicable.</p>

**Arizona Public Service**  
**Summary of Certificate of Environmental Compatibility Compliance**  
***Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Project***

Certificate Condition	Compliance
<p>27) Prior to the date this transmission line is put into commercial service, the applicant shall provide homebuilders and developers within one mile of the center line of the certificate route the identity, location, and a pictorial depiction of the type of power line being constructed, accompanied by a written description, and encourage the developers and homebuilders to include the information in the developers' and homebuilders' homeowners' disclosure statements.</p>	<p>APS has provided direct mail notice of pending construction activities to all property owners within one mile of the project centerline. Prior to the facility going into commercial service, APS will send additional direct mail communication to these property owners containing the details as indicated by this condition. APS additionally provides support for interested parties regarding transmission facilities on its siting website at <a href="http://www.aps.com/siting">www.aps.com/siting</a> along with links to current and completed High Voltage transmission siting projects. Examples of communications to property owners are attached.</p>
<p>28) Applicant shall use commercially reasonable efforts to work with Pinnacle Cemeteries to mitigate visual impacts at the Pinnacle Cemeteries from the project.</p>	<p>APS is currently working with Pinnacle Cemeteries to mitigate construction and visual impacts from the project. This coordination will be ongoing through construction of facilities adjacent to the cemetery.</p>
<p>29) Within 90 days of the final Commission decision granting this Certificate, applicant shall file an A.R.S. §40-252 application for approval of modification(s) to Commission Decision No. 65997, which granted the Certificate in Case 120, to reflect the grant of this Certificate. Specifically, Applicant will request that the following condition be added to Decision No. 65997: "Applicant shall not build that portion of the Project approved in this case located between: (a) the intersection of the section line that designates the Dove Valley Road alignment and the existing Navajo – Westwing 500/230 kV corridor; and (b) the Pinnacle Peak substation. Applicant retains the authorization to construct the Avery and Misty Willow substations (Decision No. 65997, Case 120, pages 3:15-17 and 4:9-11) and also that portion of the double-circuit 230 kV transmission line between Westwing and Raceway substations (Decision No. 65997, Case 120, page 3:15-13), as described, noticed and certificated in this case 120. Further, Condition 23 of the Certificate in Decision 65997, Case 120, is no longer applicable."</p>	<p>APS filed an A.R.S. § 40-252 application for approval of modifications to Commission Decision No. 65997 to the ACC. This Application to Amend was docketed with the ACC on March 21, 2007. No action has been taken on the filing by the ACC at this time.</p>
<p>30) Applicant shall make a good faith effort to work with affected municipalities and land management agencies to encourage future development to move major arterials away from major transmission</p>	<p>APS continues to work with the Cities of Phoenix and Peoria on recognizing transmission line corridors and has</p>

**Arizona Public Service**  
**Summary of Certificate of Environmental Compatibility Compliance**  
***Morgan (TS-9) to Pinnacle Peak 500/230-kV Transmission Project***

<b>Certificate Condition</b>	<b>Compliance</b>
corridors.	worked with the Arizona Department of Transportation (ADOT) regarding the plans for the Loop 303 and I-17.
31) Applicant shall work in good faith with the City of Peoria, ADOT, and ASLD regarding the final right-of-way on that portion of the route along the Dove Valley Road Alignment.	APS has been involved in ongoing coordination with the Cities of Peoria and Phoenix regarding the location of transmission structures along the Dove Valley Road alignment. Acquisition of permits from these jurisdictions assumes the approval of the location of the route along the Dove Valley Road alignment. Permits for this portion of the Project from ADOT have been obtained; additional permits from ASLD are pending.

## CONDITION 1

The Applicant shall obtain all required approvals and permits necessary to construct the Project.

## COMPLIANCE

As of November 1, 2009, APS has applied for the following permits and approvals associated with the TS-9 to Pinnacle Peak 500/230-kV Project. The following table lists the status of these permits or approvals

ISSUING/APPROVING AGENCY	TYPE	APPLICATION/APPROVAL STATUS
U.S. Army Corps of Engineers	404 Permits	Complete, 09/08
Western Area Power Administration	Right-of-Entry	In Progress, 09/08 Pending, Crossings Submittal
Arizona State Land Department	Transmission Line and Substation Rights-of-Way	Right of Entry complete Right of Way pending
Arizona Department of Transportation	Roadway Access Encroachments	Complete
Maricopa County Flood Control District	Skunk and Cave Creek Crossings	Complete
Maricopa Water District	Crossing Permits Access agreements	Complete
City of Peoria	Laydown Yard Permits Floodplain Determination Grading Drainage Plant Salvage SWPPP Permits	Complete
City of Phoenix	Floodplain Determination Grading Drainage Plant Salvage SWPPP Permits	Complete
Salt River Project	Participation Agreement	In Progress
Central Arizona Project	Crossing Permits	Complete
Arizona Department of Environmental Quality	NOI for SWPPP	Complete
Arizona Department of Agriculture	Notice Of Intent	Complete

ADOT	SR74 ingress/egress improvements	Complete
MCC	Dust Control	Complete
Army COE	404, 401 permits	Complete
Federal Aviation Administration	Aerial Obstruction Permit	Complete

## **CONDITION 27**

Prior to the date this transmission line is put into commercial service, the Applicant shall provide homebuilders and developers within one mile of the center line of the Certificated route the identity, location, and a pictorial depiction of the type of power line being constructed, accompanied by a written description, and encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statements.

## **COMPLIANCE**

APS has provides direct mail notice of pending construction activities to all property owners within one mile of the project centerline. Examples are attached. Prior to the facility going into commercial service, APS will send additional direct mail communication to these property owners containing the additional details as indicated by this condition.



## **Morgan (TS-9) to Pinnacle Peak Transmission Construction Project**

August 2009

APS will soon begin construction of the Morgan to Pinnacle Peak transmission line project. We are providing this notice to residents and businesses located within approximately one mile from the line route. We do not anticipate any power outages or disruptions because of this project; however, those who live along the route may be impacted by construction activities. A map of the transmission line route is provided on the back of this page.

We will work diligently to minimize disruptions to affected residents and businesses during construction and to provide additional updates as the project progresses. APS will make every effort to restore the existing landscape to as close to original condition as possible when construction activities are completed.

The project, when completed, will provide electrical infrastructure necessary to support growth in the northern regions of the Valley, and to provide for additional power and improved reliability of the existing electrical transmission system.

### **Project Information**

In order to continue to provide reliable electric service for our customers in the greater Phoenix area and to serve our customers' growing energy demands, APS is building the Morgan to Pinnacle Peak 500-kilovolt (kV) / 230-kV transmission line in the north valley between the Morgan Substation (previously called TS-9) to APS' existing Pinnacle Peak Substation which will be expanded to accommodate the electrical equipment associated with the new lines.

The new Morgan Substation will be located south of the Carefree Highway and west of Lake Pleasant Road and the new transmission line will connect to the existing Pinnacle Peak Substation located on Pinnacle Peak Road, ¼ mile west of Scottsdale Road. The transmission lines connecting the two substations will require the installation of new steel poles along the alignment from Morgan to Pinnacle Peak (see map on reverse side.)

The Arizona Corporation Commission granted APS a Certificate of Environmental Compatibility (CEC) for this project in 2007. Since that time, right-of-way acquisition has been on-going and preparation for the new substation has begun. Transmission line construction is scheduled to begin August 2009. While most of the construction will be completed by the end of 2010, the line is expected to be fully operational in early 2011.

### **Transmission Line Route**

The approximately 25-mile route was selected after a two-year public siting process that evaluated land availability and environmental, engineering, regulatory and cost impacts. Public outreach was an important part of the process and included informational open houses, which provided opportunities for the public to ask questions and provide comments. In addition, APS discussed the project with affected jurisdictions, communities, and agencies as well as business and civic leaders prior to the final selection.

Additional information on the route selection process, including newsletters that were sent out to the public during the public process and a copy of the CEC, is available at: [www.aps.com/siting](http://www.aps.com/siting) under "Completed Siting Projects."

### **Contacts for Additional Information**

Technical questions: Rob Haneline, 602-328-1339  
Residents/Customers: Kendra Cea, 602-371-7872  
Media inquiries: Betty Dayyo, 602-250-2309

# TS-9 TO PINNACLE PEAK 500/230KV TRANSMISSION PROJECT

DECEMBER 11, 2006

